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Please find below and/or attached an Office communication concerning this application or proceeding.



## **DETAILED ACTION**

### ***Specification***

The abstract of the disclosure is objected to because the last sentence should read "ACH transaction is rejected..." as opposed to "ACH transaction rejected...".

Correction is required. See MPEP § 608.01(b).

### ***Claim Rejections - 35 USC § 102***

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

Claims 1-2 and 14 are rejected under 35 U.S.C. 102(b) as being anticipated by "When a check is not a check" by Orla O'Sullivan in US Banker in July 1999 (further referred to as O'Sullivan).

Regarding claim 1, O'Sullivan discloses a method of accepting an ACH (Automated Clearing House) entry as a source of funds for a financial transaction, wherein the funds may be made available before the ACH entry is completed (page 2, lines 1-2), the method comprising:

Receiving a request from a first entity to conduct a transaction involving a first value (page 2, lines 4-5; page 4, lines 19-20);

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Authorizing said first value against a credit source associated with said first entity (page 2, lines 7-8; page 4, lines 19-22);

Initiating an ACH entry in the amount of said first value (page 2, lines 1-2 and lines 7-8); and

If said ACH entry is rejected, charging all or a portion of said first value against said credit source (page 4, line 39 – page 5, line 2).

Regarding claim 2, O'Sullivan discloses the method wherein said ACH entry is an ACH debit entry (page 2, lines 7-8; page 3, lines 3-5).

Claim 14 is rejected by the same reasoning and art as applied to claim 1 as a computer readable storage medium storing instructions would be required to operate the method as disclosed in claim 1.

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

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1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

Claims 3-4, 15-18, 20-21, 23 and 25 are rejected under 35 U.S.C. 103(a) as being unpatentable over O'Sullivan as applied to claim 1 above, and further in view of "Video Values – There's More to Renting a Video than Price" by S. Gilje, June 11, 1993 (further referred to as Gilje).

Regarding claims 3-4, O'Sullivan does not disclose the method further comprising holding said first value against said credit source if authorizing is successful and releasing said hold if said ACH entry clears. However, Gilje discloses holding said first value against said credit source if authorizing is successful and releasing said hold if said ACH entry clears (page 3, lines 1-10). It would be obvious to one of ordinary skill in the art to combine the use of holding funds against a known and established credit source as disclosed by Gilje with the ACH acceptance method as disclosed by O'Sullivan. The motivation would be to ensure that an ACH payment transaction would be guaranteed in one of many forms of transaction guarantee such that funds for the purchase would be obtained either through the primary source of offered payment or through the credit source.

Regarding claim 15, O'Sullivan discloses a method of releasing value for a value transfer, where the value is to be provided via an ACH (Automated Clearing House)

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debit, before the ACH entry is completed (page 2, lines 1-2 and lines 7-8; page 3, lines 3-5), comprising:

Receiving a value transfer request at a facilitating organization from a first entity, wherein said value transfer comprises the transfer of a first value to a second entity (page 2, lines 4-5 and lines 49-56; page 3, lines 1-5);

Authorizing said first value against said credit source (page 2, lines 7-8; page 4, lines 19-22);

Initiating an ACH debit entry to retrieve said first value from a first account associated with said first entity at an institution other than said facilitating organization (page 2, lines 1-2 and lines 7-8; page 3, lines 3-5);

Releasing said first value to said second entity (page 3, lines 3-5); and

If said ACH debit entry fails, charging a portion of said first value against said credit source (page 4, line 39 – page 5, line 2).

O'Sullivan does not disclose verifying a credit source available to said first entity. However, O'Sullivan discloses where accounts are verified to an account and guaranteed (page 2, lines 49-56; page 3, lines 33-37) and wherein a consumer's account is debited (page 3, lines 3-5), preauthorized debit through a voided check (page 4, lines 20-22) and capturing fees (page 4, line 39 – page 5, line 2). Through this method, steps are taken to verify the consumer has available an account and credit source and it would be obvious to one of ordinary skill in the art that at each step, verifying the consumer has available an account and credit source would be in place.

O'Sullivan does not disclose the method further comprising holding said first value against said credit source. However, Gilje discloses holding said first value against said credit source (page 3, lines 1-10). It would be obvious to one of ordinary skill in the art to combine the use of holding funds against a known and established credit source as disclosed by Gilje with the ACH acceptance method as disclosed by O'Sullivan. The motivation would be to ensure that an ACH payment transaction would be guaranteed in one of many forms of transaction guarantee such that funds for the purchase would be obtained either through the primary source of offered payment or through the credit source.

Regarding claim 16, O'Sullivan discloses the method wherein said value transfer request includes a selection of said first entity to provide said first value to said facilitating organization via ACH debit (page 2, lines 7-8; page 3, lines 3-5).

Regarding claim 17, O'Sullivan disclose the method wherein said selection to provide said first value via ACH debit is a default option for value transfer requests accepted by said facilitating organization (page 2, lines 7-8; page 3, lines 3-5).

Regarding claim 18, O'Sullivan does not specifically disclose the method wherein said verifying a credit source comprises authorizing a small value against said credit source. However, it would be obvious to one of ordinary skill in the art that any size value can be checked against a credit source, whether it be the full amount to be

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potentially charged or a small amount. A vendor could verify that \$5 would be authorized ahead of a \$500 purchase. Similarly, if the credit were a security deposit on hand, a vendor could check that in fact \$5 could be pulled from the credit source by verifying that a value greater than the test value or the potential purchase value were on hand and available as set aside in the security deposit.

Regarding claim 20, O'Sullivan discloses the method wherein said value transfer comprises the transfer of said first value from said first account to a second account associated with said second entity at said facilitating organization (page 3, lines 3-5).

Regarding claim 21, O'Sullivan does not specifically disclose the method wherein:

Said second entity comprises said first entity; and

Said value transfer comprises the transfer of said first value from said first account to a second account associated with said first entity at said facilitating organization.

However, O'Sullivan discloses the debiting of checking accounts (page 2, lines 7-10), which represent a first account associated with a first entity, and transferring from a second account associated with the first entity is implemented when the first account is unsuccessfully debited (page 4, line 39 – page 5, line 2). The practice of transferring funds amongst an entities selection of accounts (savings, checking, credit) is old and well known and it would be obvious to one of ordinary skill in the art that if a checking

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account were accessed for a debit transaction and the transaction were unsuccessful, that funds from another account associated with the first entity, such as a savings account, would be the source of a transfer, from the savings account to the checking account, in order to process the ACH debit transaction.

Claim 23 is rejected by the same reasoning and art as applied to claim 15 as a computer readable storage medium storing instructions would be required to operate the method as disclosed in claim 15.

Regarding claim 25, O'Sullivan discloses a system for facilitating a transfer of value to a recipient from a user's bank account, wherein the value may be transferred before it is received from the bank account (page 2, lines 1-2), the system comprising:

A database configured to store financial data for a user (page 3, lines 1-5), said financial data including:

An identifier of an external user account at a financial institution (page 3, lines 3-5); and

An identifier of a credit source available to the user (page 2, lines 7-8; page 4, lines 19-22);

A request module configured to receive a request from the user to pay a first value to a recipient, wherein said first value is to retrieved from said external account (page 2, lines 49-56; page 3, lines 3-5);

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An ACH (Automated Clearing House) module configured to initiate an ACH debit transaction to retrieve said first value from said external account (page 2, lines 7-8; page 3, lines 3-5);

A credit module configured to perform one or more of the following:

Authorize said first value against said credit source (page 2, lines 7-8; page 4, lines 19-22); and

Charge said first value to said credit source (page 2, lines 1-12; page 3, lines 3-5); and

A transfer module configured to release said first value to said recipient before said first value is received from said external account (page 2, lines 1-12; page 3, lines 3-5);

Wherein all or a portion of said first value is charged to said credit source if said ACH debit transaction is other than successful (page 4, line 39 – page 5, line 2).

O'Sullivan does not disclose holding said first value against said credit source. However, Gilje discloses holding said first value against said credit source (page 3, lines 1-10). It would be obvious to one of ordinary skill in the art to combine the use of holding funds against a known and established credit source as disclosed by Gilje with the ACH acceptance method as disclosed by O'Sullivan. The motivation would be to ensure that an ACH payment transaction would be guaranteed in one of many forms of transaction guarantee such that funds for the purchase would be obtained either through the primary source of offered payment or through the credit source.

Claims 5-9, and 11 are rejected under 35 U.S.C. 103(a) as being unpatentable over O'Sullivan.

Regarding claim 5, O'Sullivan discloses the method wherein said request is received by a facilitating organization, and wherein said request includes:

Said first value (page 2, lines 4-5; page 4, lines 19-20);

An option indicating that said first value is to be retrieved from an account associated with said first entity at an institution other than said facilitating organization (page 2, lines 49-56; page 3, lines 3-5).

O'Sullivan does not disclose an identifier of an entity that is to receive said first value. However, O'Sullivan does disclose an entity that is to receive first value (page 2, lines 49-56; page 3, lines 3-5). It would be obvious to one of ordinary skill in the art that an identifier would be associated with each entity to receive a value. The motivation would be that when transferring transactions across entities, an identifier would be required for tracking and proper association of the transaction to the entity from which is was sent and/or to whom it is to be delivered.

Regarding claim 6, O'Sullivan discloses the method wherein said option indicates that said first value is to be retrieved from said account via an ACH debit (page 2, lines 7-8; page 3, lines 3-5).

Regarding claim 7, O'Sullivan does not specifically disclose the method wherein said option is a default option in a set of options selectable by said first entity. However, it would be obvious to one of ordinary skill in the art to include a set of options from which to select, where O'Sullivan discloses that the default is a debit operation (page 2, lines 7-8; page 3, lines 3-5). The motivation would be to allow a value to be retrieved from such accounts as debit, credit, line of credit, etc. as the set of financial instruments available to the first entity outside the default method.

Regarding claims 8-9, O'Sullivan does not disclose the method further comprising verifying that said first entity is associated with an account to which said ACH entry is targeted and with a credit source. However, O'Sullivan discloses where accounts are verified to an account and guaranteed (page 2, lines 49-56; page 3, lines 33-37) and wherein a consumer's account is debited (page 3, lines 3-5), preauthorized debit through a voided check (page 4, lines 20-22) and capturing fees (page 4, line 39 – page 5, line 2). Through this method, steps are taken to verify the consumer is associated with an account and credit source and it would be obvious to one of ordinary skill in the art that at each step, verifying the consumer to the account and credit source would be in place.

Regarding claim 11, O'Sullivan does not disclose the method wherein said ACH entry is an ACH credit entry. However, it would be obvious to one of ordinary skill in the art that a credit entry would process the same as a debit entry which is disclosed by

O'Sullivan (page 2, lines 7-8; page 3, lines 3-5). ACH transactions can include various forms such as debit, credit and paper or electronic check.

Claims 10 and 12 are rejected under 35 U.S.C. 103(a) as being unpatentable over O'Sullivan as applied to claim 1 above, and further in view of "Here's What it Takes to Get the Goods from Rental Outlets" by Y. Bendo in April 1989 (further referred to as Bendo).

Regarding claim 10, O'Sullivan does not disclose the method further comprising establishing said credit source for said first entity. However, Bendo discloses the method further comprising establishing said credit source for said first entity (page 2, line 43). It would be obvious to one of ordinary skill in the art to combine the use of establishing credit as disclosed by Bendo with the ACH acceptance method as disclosed by O'Sullivan. The motivation would be to make credit available to those individuals wishing to make an ACH transaction who are not already in possession of a credit account, such as are offered by both major credit card companies as well as local store specific credit cards, in order to ensure that the vendor would have a credit source of which to charge should the ACH payment be unsuccessful.

Regarding claim 12, O'Sullivan does not disclose the method wherein said credit source is an account with a facilitating organization that receives said request from said first entity. However, Bendo discloses the method wherein said credit source is an

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account with a facilitating organization that receives said request from said first entity (page 2, line 43). It would be obvious to one of ordinary skill in the art to combine the use of using a facilitator's credit as disclosed by Bendo with the ACH acceptance method as disclosed by O'Sullivan. The motivation would be to encourage consumers to use a credit account for which the facilitating organization could then earn interest payments for a balance carried thereon.

Claim 13 is rejected under 35 U.S.C. 103(a) as being unpatentable over O'Sullivan as applied to claim 1 above, and further in view of "Debit Still Waiting for a Frequent Shopper Boom" in POS News, June 1992 (further referred to as POS News).

O'Sullivan does not disclose the method further comprising awarding said first entity a bonus if said ACH entry clears. However, POS News discloses awarding said first entity a bonus if said ACH entry clears (page 1, lines 1-12; page 2, lines 51-55). It would be obvious to one of ordinary skill in the art to combine the use of bonus points as disclosed by POS News with the ACH acceptance method as disclosed by O'Sullivan. The motivation would be to encourage consumers to use the ACH system and to ensure funding is available such that the order will clear upon processing.

Claim 19 is rejected under 35 U.S.C. 103(a) as being unpatentable over O'Sullivan and Gilje as applied to claim 15 above, and further in view of Bendo.

Neither O'Sullivan nor Gilje disclose the method wherein said verifying a credit source comprises establishing said credit source for said first entity. However, Bendo

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discloses the method wherein said verifying a credit source comprises establishing said credit source for said first entity (page 2, line 43). It would be obvious to one of ordinary skill in the art to combine the use of establishing credit as disclosed by Bendo with the ACH acceptance method as disclosed by O'Sullivan and Gilje. The motivation would be to make credit available to those individuals wishing to make an ACH transaction who are not already in possession of a credit account, such as are offered by both major credit card companies as well as local store specific credit cards, in order to ensure that the vendor would have a credit source of which to charge should the ACH payment be unsuccessful.

Claim 22 is rejected under 35 U.S.C. 103(a) as being unpatentable over O'Sullivan and Gilje as applied to claim 15 above, and further in view of POS News.

Neither O'Sullivan nor Gilje disclose the method further comprising awarding said first entity a bonus if said ACH entry clears. However, POS News discloses awarding said first entity a bonus if said ACH entry clears (page 1, lines 1-12; page 2, lines 51-55). It would be obvious to one of ordinary skill in the art to combine the use of bonus points as disclosed by POS News with the ACH acceptance method as disclosed by O'Sullivan and Gilje. The motivation would be to encourage consumers to use the ACH system and to ensure funding is available such that the order will clear upon processing.

Claim 24 is rejected under 35 U.S.C. 103(a) as being unpatentable over O'Sullivan, and further in view of "Keeping up with Video Rental Records" by Don G. Campbell in May 1987 (further referred to as Campbell).

O'Sullivan discloses a method of accepting an ACH debit as a source of funds for a fund transfer, wherein the funds may be made available before the ACH debit is completed (page 2, lines 1-2), the method comprising:

- Receiving a request from a first entity to transfer a first amount of funds;

- Initiating an ACH debit in said first amount;

- Releasing said first amount for said requested transfer.

O'Sullivan does not disclose:

- Charging said first amount to a credit source associated with said first entity;

- If said ACH debit completes successfully, crediting said first amount to said credit source.

However, Campbell discloses:

- Charging said first amount to a credit source associated with said first entity;

- If said ACH debit completes successfully, crediting said first amount to said credit source (page 2, lines 11-13).

It would be obvious to one of ordinary skill in the art to a vendor could charge a credit source while waiting for a financial transaction to transpire, and then run another transaction to credit back the amount charged to a credit source if another financial transaction is successful. The motivation would be to ensure that in the event the primary transaction fails, that another transaction has been processed such that one

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transaction or the other would result in the vendor immediately receiving confirmation of a transaction.

### ***Conclusion***

Any inquiry concerning this communication should be directed to Jennifer Liversedge whose telephone number is 571-272-3167. The examiner can normally be reached on Monday – Friday, 8:30 – 5 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Sam Sough can be reached at 571-272-6799. The fax number for the organization where the application or proceeding is assigned is 571-273-8300.

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Jennifer Liversedge

Examiner

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